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ACTION T-00

RELEASED IN PART
B1, 1.4(D), B5

INFO	LOG-00	NP-00	AID-00	ACQ-00	CEA-01	CIAE-00	COME-00
	CTME-00	INL-00	DODE-00	DOEE-00	DOTE-00	PERC-00	SRPP-00
	DS-00	EAP-00	EB-00	EXIM-01	E-00	FAAE-00	FBIE-00
	VC-00	FRB-00	H-00	TEDE-00	INR-00	ITC-01	VCE-00
	AC-00	DCP-01	NSAE-00	OMB-00	OPIC-01	PM-00	ACE-00
	SCT-00	SP-00	SSO-00	SS-00	STR-00	TRSE-00	USIE-00
	ASDS-00	PMB-00	DSCC-00	PRM-00	DRL-00	G-00	NFAT-00
	SAS-00	SWCI-00	/005W				

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O 112340Z MAR 04
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC IMMEDIATE 5913
INFO NSC WASHDC IMMEDIATE
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S E C R E T JAKARTA 002246

NOFORN

FOR T - U/S BOLTON FROM AMBASSADOR BOYCE

E.O. 12958: DECL: 04/11/2014
TAGS: PREL, PTER, PGOV, ECON, MARR, EAID, ID
SUBJECT: U/S BOLTON'S VISIT TO JAKARTA

REF: A. STATE 38357 (EAST TIMOR INTERNATIONAL TRUTH
COMMISSION)
B. JAKARTA 1005
C. 03 JAKARTA 12094
D. 03 JAKARTA 1855

Classified By: Ambassador Ralph L. Boyce for reason 1.4 (b) and (d).

Summary and Introduction

1. (C) Your visit builds on the President's visit to Bali October 22 and those by several senior Administration officials since then. Those visits have fostered a better understanding of our counter terrorism policies and encouraged a calmer, more cooperative quality in our bilateral relations.

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UNITED STATES DEPARTMENT OF STATE
CLASSIFICATION: SECRET REASON: 1.4(D)
DECLASSIFY AFTER: 10 MAR 2029
DATE/CASE ID: 05 JUN 2009 200706444

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2. (C) You come to Indonesia in the first month of an eight-month election marathon in which 145 million voters will elect a new president -- for the first time by direct popular vote -- and new national, regional, and local legislatures. President Megawati and other top officials find it difficult to keep focused on the CT effort as they move into their campaigns. Cabinet frictions have already come to the fore in advance of the April 5 legislative vote, with Coordinating Minister for Politics and Security Yudhoyono submitting his resignation March 11. Yudhoyono will now formally begin his campaign to replace Megawati as president. Several other cabinet members are also vying for the presidency and it will become increasingly difficult for the government to get its work done as the July 5 presidential contest nears.

B1, B5

End Summary

and Introduction.

Our Relations with Indonesia

3. (C) Your visit to Indonesia will further advance our CT and regional security goals, building on the President's October 2003 visit to Bali.

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Subsequent visits by Attorney General Ashcroft, PACOM Commander Fargo, and Secretary Ridge have boosted an already strong bilateral relationship. Nevertheless, coming events will test our relations.

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Your visit will emphasize our dynamic relationship and that Indonesia can count on high-level U.S. attention. You should press the GOI to press forward on key regional security issues and reiterate the importance of strong leadership in efforts against JI, even as a contentious election season begins.

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4. (C)

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5. (C)

6. (C)

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Timika

7. (S) Achieving justice in murders of American school teachers Ted Burgeon and Rick Spier near the Freeport mine in Timika, Papua, is critical to our overall interests and a prerequisite for normal military relations with Indonesia. We want Indonesia's full cooperation with the FBI in conducting a transparent and credible investigation. President Megawati and her cabinet understand the importance of this to us, and promised President Bush full cooperation and reiterated it as recently as Secretary Ridge's March 10 visit.

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8. (S/NF)

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We should thank

Indonesian officials for this cooperation. We would ask that you stress the importance of the case to our bilateral relations, underscore that the FBI has not made any final conclusions, and note that ultimately the GOI will need to resolve it. Indonesian officials, especially General Sutarto, were angered by a recent AP story that quoted an unnamed senior USG official who said that the FBI had found TNI involvement and that the only outstanding question was how high responsibility for the murders rose within the TNI. Secretary Ridge roundly refuted the story in his meetings with President Megawati and Coordinating Minister Yudhoyono March 10. If Indonesian officials raise the matter with you, we ask that you strongly knock this report down, and stress that the FBI investigation is proceeding with no pre-conceived conclusions.

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9. (C)

10. (C)

Maritime Security

11. (SBU) Indonesia, the world's largest archipelagic nation, faces serious maritime security issues in its territorial waters. These include piracy (in the Straits of Malacca, the Singapore Straits, and the Bangka Straits),

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illegal logging, illegal fishing, smuggling, and trafficking in persons. Over 50,000 ships transit the Straits of Malacca annually. Eighty-three of the 344 reported piracy attacks worldwide occurred in Indonesian waterways in 2003, an increase from 64 in 2002, according to the International Maritime Bureau (IMB). Although Indonesia continues to work with Singapore and Malaysia to patrol the Straits of Malacca, internal discord between the nine GOI agencies responsible for maritime security undermines full cooperation.

12. (SBU) A U.S. Coast Guard assessment team recommended in January that Indonesia improve cooperation and communication between agencies and neighboring countries to tackle maritime security issues. A JIATF West maritime security/narco-terrorism assessment team proposed in February the establishment of a Counter-Drug Fusion Center, run by the National Narcotics Board, to coordinate counter-narcotics efforts. JIATF West plans to return in April to continue its assessment and, assuming approval, begin construction of the Fusion Center by early June 2004. JIACG/CT plans to conduct a maritime security game scenario with Indonesian agencies in early March 2004. Indonesia lags in efforts to implement the IMO's International Shipping and Port Security (ISPS) Code by the July 1 deadline. The Embassy will continue to work to promote understanding of the ISPS Code, and plans USCG training courses for port managers.

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13. (C)

Indonesia's Nuclear Program and Non-Proliferation Issues

14. (SBU) Indonesian government discussions with nuclear power officials in South Korea and Russia over the last year indicate the GOI is considering, though not able to fund, a revival of its nuclear power program abandoned during the 1997-98 economic crisis. In April 2003, Russia's Ministry

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for Nuclear Power offered to sell Indonesia a 40-megawatt (MW) floating nuclear power plant during President Megawati's state visit to Russia. Last month, the GOI and South Korea's state-run Korea Hydro and Nuclear Power Company signed a memorandum of understanding (MoU) for a three-year feasibility study on nuclear power plants with the goal of producing nuclear power by 2015. This agreement follows a 2001 MoU, whereby South Korea agreed to do a feasibility study of building a desalinization facility powered by a small nuclear plant. None of these reports suggest that Indonesia will try to build a nuclear power plant in the near-term, particularly given GOI budget constraints. However, the discussions do illustrate the government's concern over growing power shortages throughout the country as well as a desire to announce bold new plans to avert a power crisis.

15. (SBU) We are closely engaged with the GOI's two nuclear power agencies, which operate three small nuclear research reactors and four laboratories. We have coordinated four DOE/IAEA visits over the last year to assess security and safety at Indonesia's nuclear facilities, renewed a U.S.-GOI Agreement on the Peaceful Uses of Nuclear Energy, and facilitated DOE's removal of spent nuclear fuel from Indonesia earlier this month. Reftels B-D discuss these visits in greater detail.

16. (U) Treaties: Indonesia is party to the following international treaties or groups:

- Conference on Disarmament (member);
- Nuclear Test Ban Treaty (ratified);
- Comprehensive Nuclear Test Ban Treaty (not yet ratified);
- Convention on the Physical Protection of Nuclear Material (ratified).
- Southeast Asia Nuclear Weapon-Free Zone Treaty (Bangkok Treaty), ratified.

Counter Terrorism Issues

17. (S)

Indonesia has made dramatic progress in the war against terrorism. Literally before the smoke cleared in Bali, Indonesian police arrested previously untouchable JI leader Abu Bakar Ba'asyir and issued a tough new anti-terrorism executive order (later ratified into law). In a country where a small number of vocal radicals had drowned

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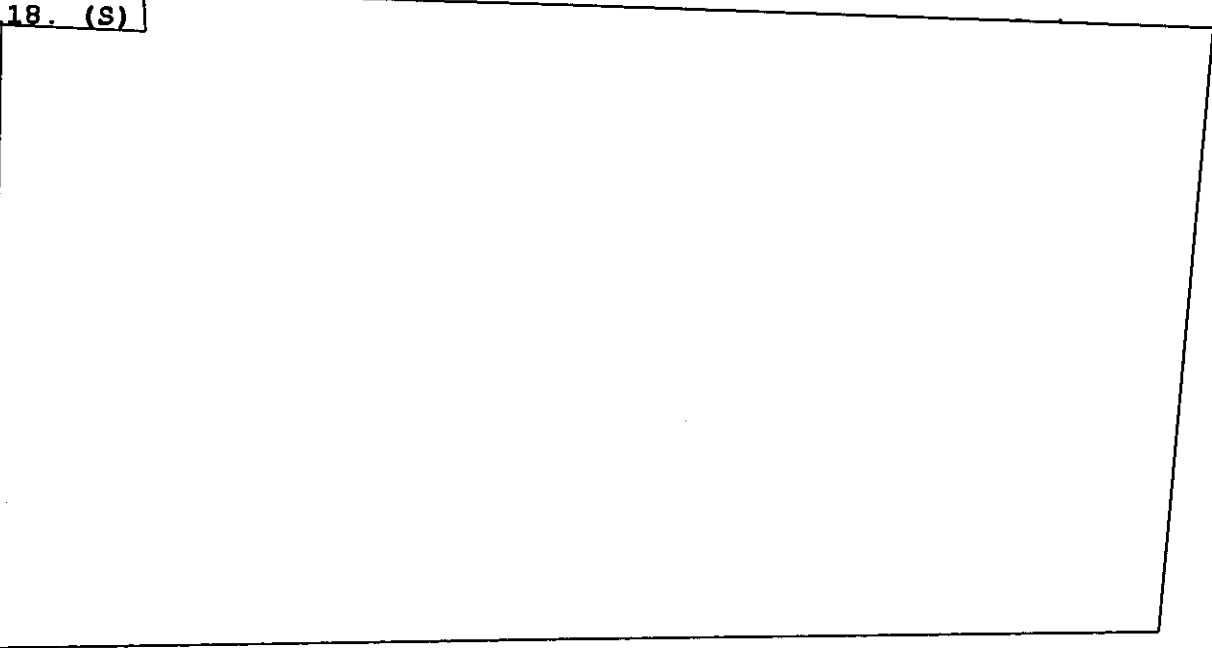
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out the moderate majority, the public debate shifted overnight in favor of forceful action. Megawati's government hunted down, tried, convicted, and sentenced to death the principal JI terrorists who murdered over 200 people in Bali.

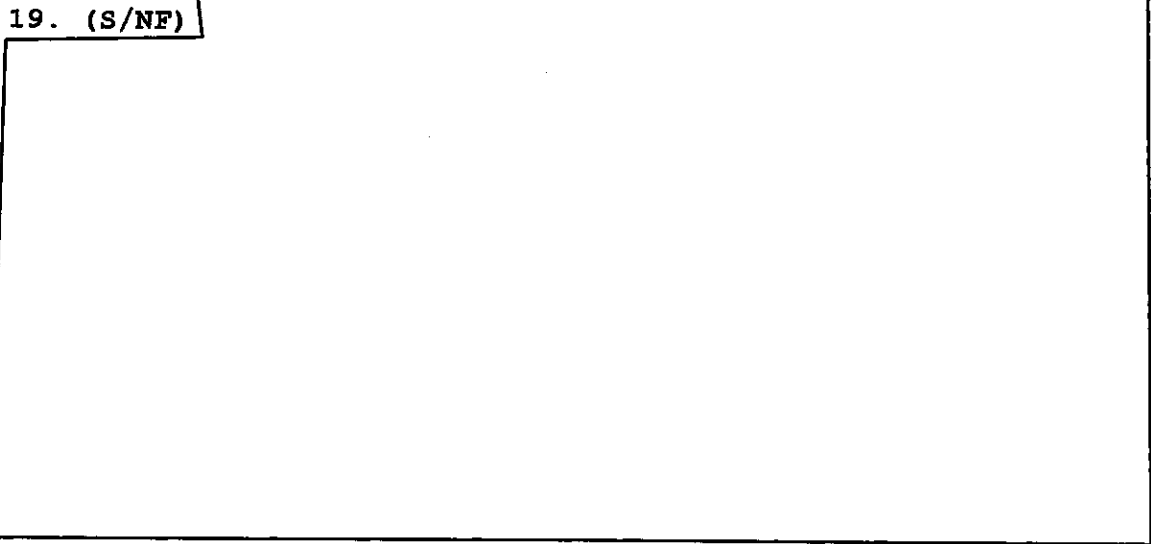
Since then, police have captured over 113 terrorists linked to the Bali bombing, the August 2003 J.W. Marriott bombing, and the JI terror group. The wealth of intelligence gained from those arrests showed the JI threat as far worse than originally thought. As a result, the Indonesian government is considering changes to strengthen the anti-terrorism law.

18. (S)



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Looking Forward to Your Visit

20. (SBU) We have a complex relationship with Indonesia. Your visit will signal our continued respect for and engagement with a key partner on a range of important security issues, in addition to our common effort in the fight against terror. The cumulative effect for our bilateral and regional security and counter terrorism efforts will be to lay the groundwork for continued quiet progress throughout Indonesia's frenetic election season. We look forward to a great visit.

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